

**Supplemental Reporting Document
Table of Contents
March 2006 Investment Committee Meeting
(January 2006 Reporting Period)**

Activity Reports

Alternative Investment Management (AIM) Program Activity Report
Risk Managed Absolute Return Strategies Program Activity Report
Real Estate Opportunistic Program Activity Report

B

Investment Office

P.O. Box 2749

Sacramento, CA 95812-2749

Telecommunications Device for the Deaf - (916) 795-3240

(916) 795-3400 FAX (916) 795-3344

March 13, 2006

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Activity Reports
- II. PROGRAMS:** Alternative Investment Management (AIM)
Risk Managed Absolute Return Strategies (RMARS)
Real Estate Opportunistic (REO)
- III. RECOMMENDATION:** Information only
- IV. ANALYSIS:**

Staff from AIM, RMARS, and REO are required to report the status of investment proposals received by their respective program on a monthly basis. Staff from these areas have prepared activity reports for the month of January 2006.

V. STRATEGIC PLAN:

Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

Members of the Investment Committee
March 13, 2006
Page 2

VI. RESULTS:

Attached are results containing the status of investment proposals received by AIM, RMARS, and REO.

Greg Hood
Division Chief, Investment Office

Anne Stausboll
Interim Chief Investment Officer



***** OPEN SESSION MATERIAL *****
AIM PROGRAM
SUMMARY MONTHLY REPORT: PROPOSALS IN PROCESS
REPORT PERIOD: 1/1/2006 TO 1/31/2006

ACTIVITY SUMMARIZED	ACTIVITY FOR REPORT PERIOD	2003	2004	2005	2006 YTD	Since Program Inception
<u>INVESTMENT ACTIVITY</u>						
Investment Proposals Entered	20	298	381	316	20	5801
Declined/Referred/Failed to Materialize	9	206	223	430	9	4602
Deals in Screening	67	298	397	318	20	2815
Due Diligence Reviews	25	25	65	57	5	532

Notes:

- Current YTD information is through the end of the report period.
- Deals in Screening and Due Diligence reviews for the activity report period represent deals remaining in Screening and Due Diligence at the end of the report period. For all other time periods, deals in Screening and Due Diligence represent deals which entered Screening or Due Diligence during that time period.

January 2006

MANAGER ACTIVITY	2001	2002	2003	2004	2005	2006	Since Program Inception
Information Received	88	170	181	59	59	6	563
Declined	34	81	108	12	7	0	242
Screening	48	80	72	45	58	6	309
Full Due Dilligence Review	0	15	1	5	22	6	49
Approved by ARS Board	0	13	1	5	22	6	47
MANAGER AMOUNTS (\$ in millions)							
Funded	\$0	\$485	\$95	\$149	\$783	\$230	\$1,741

**Real Estate Investment Office
Opportunistic/International Fund Program
January 2006**

Fund Name	Product Type	Sector		Allocation Committed	Net Expected Return
Hines Residential Spain	Housing	International		\$200,000,000	15-20%
		Total		\$200,000,000	